

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 24, 2007

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3517 by Creighton (Relating to competitive purchasing requirements for local governments.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to remove restrictions on municipalities of a certain population size regarding the purchase of insurance. In addition, the bill would authorize a municipality to use the competitive sealed proposal procedure for the purchase of goods or services. A municipality would be required to determine the best value for the municipality if it were to consider a method of purchasing other than sealed bid. The bill would also exempt the purchase of a vehicle and equipment repairs from certain purchasing requirements.

The bill would amend the Local Government Code to add a conservation and reclamation district in a county with a population of 250,000 or more to those governmental entities to which the Public Property Finance Act would apply.

The bill would amend the Health and Safety Code to increase from \$25,000 to \$50,000 the minimum expenditure for certain items or services that would require an emergency service district board to submit to competitive bids.

The bill would take effect September 1, 2007.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, SD, MN, DB